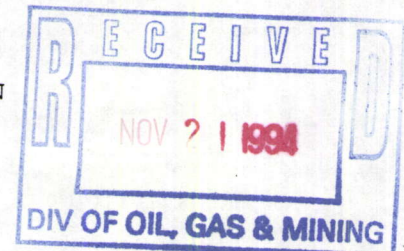


UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D C 20549
FORM 10-Q



(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1994

m/037/025

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-1463

UNION CARBIDE CORPORATION

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of
incorporation or organization)

13-1421730

(I.R.S. Employer
Identification No.)

39 Old Ridgebury Road, Danbury, CT
(Address of principal executive offices)

06817-0001
(Zip Code)

203-794-2000

Registrant's telephone number, including area code

(Former name, former address and former fiscal year,
if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days. Yes X No _____

Indicate the number of shares outstanding of each of the issuer's classes of
common stock, as of the latest practicable date.

Class
Common Stock, \$1 par value

Outstanding at October 31, 1994
148,437,624 shares

Total number of sequentially numbered pages in this filing,
including exhibits thereto: 17

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PART I. FINANCIAL INFORMATION

UNION CARBIDE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF INCOME

Millions of dollars
(Except per share figures)
Quarter ended September 30,

	<u>1994</u>	<u>1993</u>
NET SALES	<u>\$ 1,252</u>	<u>\$ 1,130</u>
Deductions (additions)		
Cost of sales, exclusive of depreciation and amortization shown separately below	953	889
Research and development	35	33
Selling, administration and other expenses*	69	80
Depreciation and amortization	69	66
Interest on long-term and short-term debt	22	16
Other expense (income) - net	<u>(14)</u>	<u>(7)</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	118	53
Provision for income taxes	<u>35</u>	<u>22</u>
INCOME OF CONSOLIDATED COMPANIES	83	31
Plus: UCC share of net income from corporate investments carried at equity	<u>13</u>	<u>7</u>
NET INCOME	96	38
Preferred stock dividend, net of taxes	<u>2</u>	<u>2</u>
NET INCOME - COMMON STOCKHOLDERS	<u>\$ 94</u>	<u>\$ 36</u>
Earnings per common share		
Primary	\$ 0.61	\$ 0.23
Fully diluted	\$ 0.57	\$ 0.22
Cash dividends per common share	\$ 0.1875	\$ 0.1875

* Selling, administration and other expenses include:

Selling	\$ 31	\$ 31
Administration	21	28
Other expenses	<u>17</u>	<u>21</u>
	<u>\$ 69</u>	<u>\$ 80</u>

The Notes to Condensed Consolidated Financial Statements on Pages 7 through 9 should be read in conjunction with this statement.

UNION CARBIDE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF INCOME

Millions of dollars
(Except per share figures)
Nine Months ended September 30,
1994 1993

NET SALES	<u>\$ 3,555</u>	<u>\$ 3,567</u>
Deductions (additions)		
Cost of sales, exclusive of depreciation and amortization shown separately below	2,715	2,750
Research and development	100	108
Selling, administration and other expenses*	213	265
Depreciation and amortization	203	210
Interest on long-term and short-term debt	58	57
Other expense (income) - net	<u>(14)</u>	<u>9</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	280	168
Provision for income taxes	<u>83</u>	<u>60</u>
INCOME OF CONSOLIDATED COMPANIES	197	108
Plus: UCC share of net income from corporate investments carried at equity	<u>35</u>	<u>13</u>
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	232	121
Cumulative effect of change in accounting principle	<u>-</u>	<u>(97)</u>
NET INCOME	232	24
Preferred stock dividend, net of taxes	<u>7</u>	<u>7</u>
NET INCOME - COMMON STOCKHOLDERS	<u>\$ 225</u>	<u>\$ 17</u>
Earnings per common share		
Primary		
- Income	\$ 1.44	\$ 0.74
- Cumulative effect of change in accounting principle	\$ -	\$ (0.64)
- Net income - common stockholders	\$ 1.44	\$ 0.10
Fully diluted	\$ 1.35	\$ -
Cash dividends per common share	\$ 0.563	\$ 0.563

* Selling, administration and other expenses include:

Selling	\$ 92	\$ 103
Administration	74	94
Other expenses	<u>47</u>	<u>68</u>
	<u>\$ 213</u>	<u>\$ 265</u>

The Notes to Condensed Consolidated Financial Statements on Pages 7 through 9 should be read in conjunction with this statement.

UNION CARBIDE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET

	<u>Millions of dollars</u>	
	<u>Sept. 30,</u> <u>1994</u>	<u>Dec. 31,</u> <u>1993</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 124	\$ 108
Notes and accounts receivable	927	689
Inventories:		
Raw materials and supplies	109	104
Work in process	39	52
Finished goods	<u>236</u>	<u>229</u>
	384	385
Prepaid expenses	<u>241</u>	<u>247</u>
Total current assets	<u>1,676</u>	<u>1,429</u>
Property, plant and equipment	5,797	5,626
Less: Accumulated depreciation	<u>3,330</u>	<u>3,206</u>
Net fixed assets	2,467	2,420
Companies carried at equity	435	437
Other investments and advances	<u>81</u>	<u>137</u>
Total investments and advances	516	574
Other assets	<u>338</u>	<u>266</u>
Total assets	<u>\$4,997</u>	<u>\$4,689</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Accounts payable	\$ 338	\$ 310
Short-term debt	92	24
Payments to be made within one year on		
long-term debt	21	11
Accrued income and other taxes	178	189
Other accrued liabilities	<u>625</u>	<u>662</u>
Total current liabilities	<u>1,254</u>	<u>1,196</u>
Long-term debt	905	931
Postretirement benefit obligation	501	489
Other long-term obligations	515	378
Deferred credits	248	230
Minority stockholders' equity in consolidated		
subsidiaries	24	1
Convertible preferred stock	148	150
Unearned employee compensation	(106)	(114)
UCC stockholders' equity:		
Common stock authorized - 500,000,000 shares		
Common stock issued - 154,609,669 shares	155	155
Additional paid-in capital	355	366
Equity adjustment from foreign currency		
translation	(52)	(84)
Retained earnings	<u>1,207</u>	<u>1,067</u>
	1,665	1,504
Less: Treasury stock, at cost-6,007,946 shares		
(4,062,189 shares in 1993)	<u>157</u>	<u>76</u>
Total UCC stockholders' equity	<u>1,508</u>	<u>1,428</u>
Total liabilities and stockholders' equity	<u>\$4,997</u>	<u>\$4,689</u>

The Notes to Condensed Consolidated Financial Statements on Pages 7 through 9 should be read in conjunction with this statement.

UNION CARBIDE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Millions of dollars	
	Nine Months ended September 30,	
	1994	1993
	Increase (decrease) in cash and cash equivalents	
OPERATIONS		
Income before accounting change	\$ 232	\$ 121
Noncash charges (credits) to net income		
Depreciation and amortization	203	210
Deferred income taxes	7	(35)
Other noncash charges	35	47
Investing credits to net income	(18)	(42)
Working capital ^(a)	(236)	(122)
Long-term assets and liabilities	109	91
Cash Flow From Operations	332	270
INVESTING		
Capital expenditures	(269)	(214)
Investments	(43)	(25)
Sale of investments	87	223
Sale of fixed and other assets	47	14
Cash Flow Used for Investing	(178)	(2)
FINANCING		
Increase (decrease) in short-term debt (three months or less)	65	(256)
Proceeds from short-term debt	4	-
Repayment of short-term debt	-	(36)
Proceeds from long-term debt	17	320
Repayment of long-term debt	(33)	(234)
Issuance of common stock	59	47
Repurchase of common stock	(161)	(32)
Payments of dividends	(95)	(91)
Other	6	(1)
Cash Flow Used for Financing	(138)	(283)
Effect of exchange rate changes on cash and cash equivalents	-	(1)
Change in cash and cash equivalents	16	(16)
Cash and cash equivalents beginning-of-period	108	171
Cash and cash equivalents end-of-period	\$ 124	\$ 155
Cash paid for interest and income taxes		
Interest (net of amount capitalized)	\$ 75	\$ 67
Income taxes	\$ 49	\$ 39

(a) Net change in working capital by component (excluding cash and cash equivalents, deferred income taxes and short-term debt):

(Increase) decrease in current assets		
Notes and accounts receivable	\$ (214)	\$ (121)
Inventories	(16)	(15)
Prepaid expenses	(6)	37
Decrease in payables and accruals	-	(23)
Working capital	\$ (236)	\$ (122)

The Notes to Condensed Consolidated Financial Statements on Pages 7 through 9 should be read in conjunction with this statement.

UNION CARBIDE CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Financial Statements

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments necessary for a fair statement of the results for the interim periods. These adjustments consisted of only normal recurring adjustments. The accompanying statements should be read in conjunction with the Notes to Financial Statements of Union Carbide Corporation and Subsidiaries (the corporation) in the 1993 annual report to stockholders. On April 27, 1994, stockholders voted to approve the merger of Union Carbide Corporation (UCC) into Union Carbide Chemicals and Plastics Company Inc. (UCC&P). The merger was effective May 1, 1994. Immediately after the merger, UCC&P had the same consolidated assets, liabilities and stockholders' equity as the corporation. UCC&P has changed its name to Union Carbide Corporation. All references to Union Carbide Corporation, the corporation or UCC after the periods starting May 1, 1994 shall be a reference to the merged company.

2. Union Carbide Corporation, EniChem SpA, to Form Joint Venture

On August 1, 1994 the corporation and EniChem SpA, Milan, Italy, ("EniChem") jointly announced that they intend to form a 50-50 joint venture to produce and market polyethylene in Europe. The two companies have signed a memorandum of understanding, and are proceeding with negotiation of definitive agreements. They anticipate start up of the venture following European Community approval in early 1995. Under the proposed agreement, the new company will own EniChem's existing polyethylene operations in Italy, France and Germany, EniChem's interest in olefins crackers at Brindisi, Italy and Dunkirk, France, and build a facility at Brindisi utilizing UCC's UNIPOL PE process technology.

3. UCAR International Inc. Registration Statement

On October 6, 1994 the corporation and Mitsubishi Corporation announced that UCAR International Inc. (UCAR) had filed a registration statement with the U.S. Securities & Exchange Commission (SEC) for an initial public offering of 14.5 million UCAR shares, which would represent about 44 percent of the common stock of UCAR. The corporation and Mitsubishi currently each own 50 percent of UCAR.

4. Common Stock

On July 27, 1994 the Board of Directors announced that it had authorized the repurchase of an additional 10 million shares of UCC common stock, bringing the total number authorized for repurchase to 20 million. The repurchase program, which began in the first quarter of 1993, is being carried out over an unlimited period in order to minimize future earnings dilution due to common stock requirements under certain employee benefit plans. Through September 30, 1994, the corporation had repurchased 9,413,160 shares at an average effective price of \$24.32 per share.

In conjunction with the corporation's common stock buyback program, put options were sold in a series of private placements entitling the holders to sell 4,125,000 shares of common stock to UCC, at specified prices if the holders exercise the options. Since the inception of this program, through September 30, 1994, options representing 3,563,800 common shares expired unexercised and options representing 211,200 shares were exercised at \$5,559,425 or \$26.32 per share. Options representing 350,000 shares remain outstanding at September 30, 1994. Premiums received on these options reduced the average price of repurchased shares to \$24.32 per share from \$24.64 per share.

5. Long-term Debt

The corporation signed two new credit agreements with a group of banks on November 4, 1994 to replace the existing \$850 million credit agreement dated as of April 15, 1992 which was reduced to \$600 million on August 3, 1993. One of the new agreements provides the corporation with \$1 billion in credit over the next five years and the other agreement provides \$200 million over the next year.

6. Commitments and Contingencies

The corporation has three long-term agreements for the purchase of ethylene related products and two agreements for terminal storage from facilities located in the U.S. and Canada. The net present value of the fixed and determinable portion of these obligations at September 30, 1994 totaled \$464 million.

The corporation is subject to loss contingencies resulting from environmental laws and regulations, which include obligations to remove or mitigate the effects on the environment of the disposal or release of certain wastes and substances at various sites. The corporation has established accruals for those hazardous waste sites where it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The reliability and precision of the loss estimates are affected by numerous factors, such as different stages of site evaluation, the allocation of responsibility among potentially responsible parties and the potential assertion of additional claims. The corporation adjusts its accruals as new remediation requirements are defined, as information becomes available permitting reasonable estimates to be made, and to reflect new and changing facts.

At September 30, 1994, the corporation had established environmental remediation accruals in the amount of \$287 million. Approximately 52 percent of the corporation's environmental accrual at September 30, 1994 pertained to closure and postclosure costs for both operating and closed facilities. In addition, the corporation had environmental loss contingencies of \$136 million.

The corporation had additional contingent obligations at September 30, 1994 of \$95 million, principally related to guarantees of debt, litigation costs and discounted receivables from customers.

During the first quarter of 1994, the corporation reduced the carrying value of its stock in Union Carbide India Ltd. (UCIL) to zero. During the third quarter of 1994, agreement was reached to sell to McLeod Russel (India), Ltd. the stock of UCIL, pledged to the Bhopal Hospital Trust (the trust), for the equivalent of \$90 million. A portion of this will be used by the trust to fund the hospital to be built in Bhopal by the Government, and the remainder will be subject to the attachment by the magistrate in the pending criminal proceedings in Bhopal. See Note 17 of Notes to Financial Statements in the corporation's 1993 Annual Report to Stockholders for information about suits and proceedings arising from or related to the December 3, 1984 methyl isocyanate incident at the plant at Bhopal, India, owned and operated by UCIL.

The corporation provisionally joined a multi-billion dollar silicone breast implant litigation settlement agreement. Union Carbide's contribution to the settlement will be \$138 million over the next several years. The corporation has previously taken before-tax charges aggregating \$35 million for this litigation. Although insurance coverage is subject to issues as to scope and application of policies, retention limits, exclusions and policy limits, and the insurers have reserved their rights to deny coverage, the corporation believes that after probable insurance recoveries, the settlement will not have a material effect on the company's earnings in the future. The corporation was not a manufacturer of breast implants but did supply generic bulk silicone materials to the industry.

The settlement has been approved by the United States District Court, Northern District of Alabama. A number of appeals have been filed which will delay implementation and might require settlement terms to be reconsidered. Both the corporation and the other companies which are parties to the agreement have the right to withdraw from the settlement if, among other factors, in their individual judgment, there are too few recipients of breast implants covered by the final settlement.

In addition to the above, the corporation and its consolidated subsidiaries are involved in a number of legal proceedings and claims with both private and governmental parties. These cover a wide range of matters including, but not limited to: product liability; governmental regulatory proceedings; health, safety and environmental matters; employment; patents; contracts and taxes. In some of these legal proceedings and claims, the remedies that may be sought or damages claimed are substantial.

While it is impossible at this time to determine with certainty the ultimate outcome of any legal proceedings and claims referred to in this note, management believes that adequate provisions have been made for probable losses with respect thereto and that such ultimate outcome, after provisions therefor, will not have a material adverse effect on the consolidated financial position of the corporation but could have a material effect on consolidated results of operations in a given quarter or year. Should any losses be sustained in connection with any of such legal proceedings and claims, in excess of provisions therefor, they will be charged to income in the future.

DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

Overview

The corporation reported third quarter, 1994 net income available to common stockholders of \$94 million, or \$0.61 per share primary (\$0.57 per share fully diluted). For the first nine months of 1994 net income available to common stockholders was \$225 million, or \$1.44 per share primary (\$1.35 per share fully diluted).

For the corresponding quarter in 1993 the corporation reported earnings of \$36 million, or \$0.23 per share primary (\$0.22 per share fully diluted). For the first nine months of 1993 the corporation had net income available to common shareholders of \$17 million, or \$0.10 per share primary, which included a noncash after-tax charge of \$97 million, or \$0.64 per share primary, for the adoption of FAS 112, "Employers' Accounting for Postemployment Benefits." Excluding the accounting change, net income was \$114 million, or \$0.74 per share.

The earnings improvement quarter to quarter resulted from increased volumes for the corporation's key products, and strengthening prices toward the end of the third quarter of 1994, especially for commodity polyolefins and ethylene glycol. Also contributing to improved earnings were lower overhead costs and the results from its joint ventures and partnerships. The corporation expects margins to improve in the fourth quarter of 1994, with price increases offsetting any increase in raw material costs.

Results of Operations

Sales increased 11 percent in the third quarter of 1994 over the same period in 1993, while remaining virtually flat on a nine month year-to-year basis. Excluding the OrganoSilicon (OSi) specialty chemicals business, sold in July, 1993 from the nine month period, sales rose five percent as volumes for the corporation's key products improved.

The corporation's variable margin for the third quarter of 1994 increased slightly to 44.9 percent, from 44.6 percent in the third quarter of 1993 due to increased volumes. For the first nine months of 1994 and 1993 variable margin ran at 45.6 percent. Excluding the higher margin OSi products from the nine month 1993 totals, variable margin was 44.8 percent. Gross margin for the third quarter of 1994 improved to 23.9 percent from 21.3 percent in the third quarter of 1993. For the nine month period ending September 30, 1994 gross margin was 23.6 percent versus 22.9 percent in the same period last year. During the comparable three month and nine month periods, sales and volumes increased while manufacturing and distribution period costs decreased slightly. When excluding the OSi business for 1993, gross margin was 22.1 percent for the first nine months. Selling, administration and other expenses continued to fall over comparable periods, even after considering the absence of the OSi business.

Partnership income doubled in the third quarter of 1994 over the same period in 1993; on a comparable nine month basis it was 81 percent ahead of 1993's pace. In the first nine months of 1994 the corporation recorded the following items within other expense (income) - net: a \$24 million charge for the write-off of its investment in India and associated costs; a \$12 million charge on the proposed sale of the corporation's uranium mill and certain uranium mines to Energy Fuels, Ltd.; and a \$24 million gain on the sale of its preferred stock investment in OSi Specialties, Inc.

Interest expense is higher in 1994 than in the comparable periods of 1993 due to rising interest rates. The corporation expects its level of interest expense in the fourth quarter of 1994 to remain at approximately the same level as in the third quarter. In addition, interest expense was lower in 1993 due to benefits received from lower interest rates associated with financial instruments used as hedges to manage exposure to financial market risk.

Earnings from the corporation's investments carried at equity continued to show strong improvement on a comparative basis for the quarter and first nine months of 1994, with UCAR International Inc. (UCAR) being the major contributor. On October 6, 1994, UCAR filed a registration statement with the SEC for an initial public offering of 44 percent of its common stock. The proposed initial public offering represents one alternative being considered to realize value from the corporation's investment. If a divestment alternative is effected, it is anticipated that the corporation would thereafter own 28 percent or less of the outstanding common stock of UCAR.

The corporation regularly reviews its assets with the objective of maximizing the deployment of resources in core operations. In this regard, UCC continues to consider strategies and/or transactions with respect to certain noncore assets and other assets not essential to the operation of the business which, if implemented, could result in material nonrecurring gains or losses.

Estimates of future expenses related to environmental protection for compliance with Federal, state and local laws regulating solid and hazardous wastes and discharge of materials to air and water, as well as for waste site remedial activities, and of future capital expenditures relating to environmental protection, have not changed materially since December 31, 1993. The reliability and precision of the loss estimates are affected by numerous factors, such as different stages of site evaluation, the allocation of responsibility among potentially responsible parties and the potential assertion of additional claims.

The corporation has provisionally joined the multi-billion dollar silicone breast implant litigation settlement agreement. This litigation is discussed in more detail in the "Commitments and Contingencies" footnote to the financial statements on pages 8 and 9 of this report on Form 10-Q.

Financial Condition - September 30, 1994

Cash flow from operations increased by \$62 million during the first nine months of 1994 compared to the same period in 1993 due to improved operating results and a \$42 million dividend from UCAR. The earnings improvement resulted from increased sales volumes for key products, lower manufacturing and distribution period costs and lower overhead costs.

The corporation used \$178 million for investing purposes during the first nine months of 1994 as opposed to \$2 million during the same period in 1993. The primary difference between the two periods was the receipt of \$220 million from the sale of the OrganoSilicon (OSi) business in July, 1993. The sale of the corporation's remaining investment in OSi, during 1994, provided \$86 million in proceeds.

During 1994 capital spending increased by \$55 million over 1993, primarily on new projects, including the UNIPOL II unit at the Star, LA plant and the butanol unit at Taft, LA. The corporation's investments included the purchase of an interest in a Brazilian ethylene company. Sale of fixed and other assets for 1994 included divestiture of the corporation's electronic materials business and its interest in a Zimbabwe mining and smelting operation.

On August 1, 1994 the corporation and EniChem SpA jointly announced their intention to form a joint venture to produce and market polyethylene in Europe. The corporation expects its cash investment, which is expected to take place in early 1995, to total approximately \$200 million, financed through operations and short-term borrowings.

Cash flow used for financing was \$138 million in 1994 compared to \$283 million during the first nine months of 1993. During 1994, the corporation repurchased \$161 million in common stock and redeemed its 5.3 percent sinking fund debentures due 1997 for \$26 million. These actions were financed through operations and an increase in short term borrowings. In 1993, the corporation redeemed for cash \$12 million in senior debentures and \$84 million of the outstanding \$345 million 7.5 percent convertible debentures, of which the remaining \$261 million was converted to common stock. The 1993 redemptions were refinanced through a two-part public debt offering totaling \$300 million.

During the first half of 1994, the corporation terminated substantially all of its financial instruments used as hedges to manage exposure to financial market risk caused by interest rate fluctuations. A net charge of \$19 million (\$13 million after tax) resulting from such terminations was deferred and is being amortized to interest expense over the remaining terms of the underlying instruments, which had various maturity dates through the year 2002. The corporation also unwound its positions in financial instruments which were designed to reduce earnings fluctuations due to business conditions. During the first half of 1994, the corporation recorded a net charge of \$4 million after tax relating to these activities.

The corporation's ratio of debt to capital decreased to 39.9 percent at September 30, 1994 from 40.3 percent at December 31, 1993. At September 30, 1994 there were no outstanding borrowings under the existing major bank credit agreement of \$600 million. On November 4, 1994 the corporation signed two new credit agreements with a group of banks to replace the existing credit agreement. One of the new agreements provides the corporation with \$1 billion in credit over the next five years and the other agreement provides \$200 million over the next year.

Cash dividends to UCC common stockholders through September 30, 1994 amounted to \$85 million.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 6 to the corporation's consolidated financial statements on page 8 and 9 of this 10-Q Report.

As reported in the corporation's Form 10-K for the period ended December 31, 1993, on November 19, 1993, the U.S. Environmental Protection Agency ("EPA") issued an administrative complaint to the corporation alleging violations of the federal Clean Air Act at the Texas City, Texas plant. The complaint sought a civil penalty of \$194,550. On October 13, 1994, the corporation and EPA reached a settlement of this matter pursuant to which the corporation agreed to pay a penalty of \$55,500.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

The following exhibits are filed as part of this report:

- 11 - Computation of Earnings Per Share.
- 27 - Financial Data Schedule.

- (b) The corporation's Form 8-K dated August 3, 1994 reported the joint announcement by the corporation and EniChem SpA of their intention to form a joint venture to produce and market polyethylene in Europe.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNION CARBIDE CORPORATION
(Registrant)

Date: November 10, 1994

By: JOHN K. WULFF
John K. Wulff
Vice-President, Controller
and Principal Accounting
Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>	<u>Page No.</u>
11	Computation of Earnings Per Share	16
27	Financial Data Schedule	17

<TABLE>

Exhibit 11

UNION CARBIDE CORPORATION AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
(In millions of dollars except per share amounts)

<CAPTION>

	Quarter Ended Sept. 30,		Nine Months Ended Sept. 30,	
	1994	1993	1994	1993
Earnings Per Share - Primary				
<S>	<C>	<C>	<C>	<C>
Income	\$ 96	\$ 38	\$ 232	\$ 121
Less: Preferred stock dividend	2	3	9	10
Net income available to common stockholders for primary income calculation	94	35	223	111
Cumulative effect of accounting change	-	-	-	(97)
Net income - common stockholders	<u>\$ 94</u>	<u>\$ 35</u>	<u>223</u>	<u>\$ 14</u>
Weighted average number of common and common equivalent shares applicable to primary earnings per share calculation				
Weighted average number of shares outstanding	150,009,443	151,639,770	150,737,123	146,698,165
Dilutive effect of stock options	4,518,960	3,345,652	4,239,724	3,491,151
	<u>154,528,403</u>	<u>154,985,422</u>	<u>154,976,847</u>	<u>150,189,316</u>
Earnings per share - primary				
Income	\$ 0.61	\$ 0.23	\$ 1.44	\$ 0.74
Cumulative effect of accounting change	-	-	-	(0.64)
Net income - common stockholders	<u>\$ 0.61</u>	<u>\$ 0.23</u>	<u>\$ 1.44</u>	<u>\$ 0.10</u>
Earnings Per Share Assuming Full Dilution				
Income	\$ 96	\$ 38	\$ 232	\$ 121
Plus: Interest on convertible debentures - (net of taxes)	-	-	-	4
Less: Additional ESOP contribution resulting from assumed conversion of preferred stock	-	-	-	-
Income for fully diluted income calculation	96	38	232	125
Cumulative effect of accounting change	-	-	-	(97)
Net income for fully diluted income calculation	<u>\$ 96</u>	<u>\$ 38</u>	<u>232</u>	<u>28</u>
Weighted average number of common and common equivalent shares applicable to fully diluted earnings per share calculation				
Weighted average number of shares outstanding	150,009,443	151,639,770	150,737,123	146,698,165
Dilutive effect of stock options	4,812,336	3,527,626	5,023,826	3,781,060
Shares issuable upon conversion of UCC convertible debentures	-	-	-	7,192,395
Shares issuable upon conversion of UCC convertible preferred stock	16,503,425	16,790,927	16,571,530	16,825,560
	<u>171,325,204</u>	<u>171,958,323</u>	<u>172,332,479</u>	<u>174,497,180</u>
Per share assuming full dilution				
Income	\$ 0.57	\$ 0.22	\$ 1.35	\$ 0.72
Cumulative effect of accounting change	-	-	-	(0.56)
Net income	<u>\$ 0.57</u>	<u>\$ 0.22</u>	<u>\$ 1.35</u>	<u>\$ 0.16*</u>

<FN>

* Fully diluted per share amounts are not presented in the Condensed Consolidated Statement of Income where amounts are antidilutive.

</TABLE>

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM UNION
CARBIDE CORPORATION'S FORM 10Q FOR THE PERIOD ENDED SEPTEMBER 30, 1994 AND
IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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<CIK> 0000100790

<NAME> UNION CARBIDE CORPORATION

<MULTIPLIER> 1,000,000

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<EPS-DILUTED>	1.35

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RE: Utah Board of Oil, Gas and
Mining and Union Carbide Corp.
and its wholly-owned subsidiary
Umetco Mineral Corporation Mined-
Lands Reclamation Contracts